

FISCAL NOTE

SB 2700 – HB 3175

February 4, 2008

SUMMARY OF BILL: Exempts from state and local sales tax the sale of household appliances awarded the ENERGY STAR label and compact fluorescent lamps or compact florescent light bulbs when purchased by the consumer for household use.

ESTIMATED FISCAL IMPACT:

Decrease State Revenue - \$168,898,800

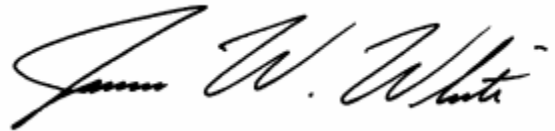
Decrease Local Gov't. Revenue - \$54,288,900

Assumptions:

- “Household appliances” mean the following products when purchased by the consumer solely for household use: refrigerators, freezers, stoves, ovens, clothes washers, clothes dryers, dishwashers, central heating units, central air conditioners, space heaters, room air conditioners, and hot water heaters.
- According to the Department of Revenue (DOR), taxable sales of energy efficient appliances that would become eligible for sales tax exemptions under this bill are estimated to be \$2,375,700,000 per year.
- Compact fluorescent lamps or compact florescent light bulbs are assumed to be ENERGY STAR products.
- According to DOR, taxable sales of compact fluorescent lamps and of compact fluorescent light bulbs that would become eligible for sales tax exemptions under this bill are estimated to be \$37,140,000 per year.
- Total taxable sales are estimated to be \$2,412,840,000 ($\$2,375,700,000 + \$37,140,000 = \$2,412,840,000$) per year.
- The current state sales tax rate is 7.0%.
- The decrease of state revenue is estimated to be \$168,898,800 ($\$2,412,840,000 \times 7.0\% = \$168,898,800$) per year.
- The local option sales tax rate is estimated to average 2.25%.
- The decrease of local government revenue is estimated to be \$54,288,900 ($\$2,412,840,000 \times 2.25\% = \$54,288,900$) per year.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White". The signature is fluid and cursive, with the first name "James" written in a more compact, stylized manner, followed by "W." and "White".

James W. White, Executive Director

/rnc